



**United States Department of the Interior**  
**Fish and Wildlife Service**  
DIVISION OF FINANCIAL MANAGEMENT



Financial Management Memorandum  
FY2002 Year-end Instructions

FMM 2002-001  
August 12, 2002

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**Purpose:** This memorandum provides instructions for completing the Service's fiscal year-end closing process and for reporting information associated with preparing the Service's Annual Financial Report.

**Impact:** Establishes critical due date for closing and reporting processes. Managers need to observe these deadlines. Delays can negatively effect the Department of the Interior' closing and reporting processes.

<Signature>

Chief, Division of Financial Management

Supersedes: New

OPR: Financial Operations Branch

Distribution: DFM, All Branch Chiefs, Region AD/Admin and B/FOs

Author: Michael Conkey, 303-984-6821

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**United States Department of the Interior**

**Financial Management Memorandum**

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In Reply Refer To:  
FWS/DFM

Memorandum

To: Service Directorate

From: Assistant Director - Business Management and Operations and  
Chief Financial Officer

Subject: FY 2002 Year-End Instructions  
**(Response Due: September 27, 2002)**

The attached document provides guidance for completing the Service's fiscal year-end closing process and for reporting information associated with preparing the Service's Annual Financial Report. The Service's year-end closing performance greatly impacts the Secretary of the Interior's ability to report reliable and timely information to OMB and the Congress. These instructions are therefore closely integrated with the actions and dates established by the Office of the Secretary. Delays in meeting established dates will result in delays throughout the Department of the Interior.

Service managers need to exercise oversight over their organization's closing and reporting processes in order to promote accuracy and timeliness. The content of the FY 2002 Year-end Instruction is similar to last year's guidance. However, there are a number of significant changes and highlights that need your attention:

- Cut-off dates for processing select transactions begin as early as September 27 this year;
- Redistributions (i.e., RDS), accruals, and adjustments to outstanding obligations (i.e., UDOs) and other types of financial actions must be supported by adequate documentation;
- Timely and accurate accruals must be made for all transactions greater than \$100;
- Law Enforcement must disclose its deferred maintenance backlog as of September 30;
- All actions and reports must be complete for submission to KPMG by November 1, 2002;
- Each member of the Directorate must provide certification to the Director indicating that undelivered order balances for their organizations have been reviewed and the balances are valid. Certification is due by September 27, 2002.

Details of these requirements are covered extensively in the attached instructions. If you need more information, please contact either Paul Henne, Chief Financial Officer, at (202) 208-4888 or Dave Holland, Deputy Chief Financial Officer, at (703) 358-2469.

Attachment

Jensen/DFM 7/26/02 (revised YE 2002 trans memo  
cc: DFM      Dir's rdg. File      CCU

## **FY 2002 YEAR-END INSTRUCTIONS**

### **INTRODUCTION AND OVERVIEW OF RESPONSIBILITIES**

This document provides the U.S. Fish and Wildlife Service's guidelines and instructions for closing FY 2002 and for reporting on Service assets in the FY 2002 Annual Financial Report. The instructions are organized into two sections, Section 1 for funds control and financial transactions and Section 2 for reporting on assets held by the Service and program performance:

**Section 1** contains guidelines for funds control and financial transaction processing up to September 30, 2002. The responsibility for funds control and transaction processing is assigned primarily at the Regional level. Regions are responsible for ensuring that obligations are consistent with the purpose of appropriations and limited to the amounts allocated at the appropriate budget activity level. Managers and individuals who oversee and initiate financial activities are responsible for ensuring that all obligations and all subsequent financial transactions are properly recorded with correct accounting codes. With respect to obligations, the Service has a multitude of appropriated and other receipt-type funding authorities. The available obligation period for these accounts varies, ranging from no-year permanent availability to 2-year authority. By law, 31 U.S.C. §1501, the Service is required to accurately record FY 2002 obligations in all Service appropriations and accounts, regardless of their period of availability. In other words, obligations incurred during FY 2002 are required to be recorded, even in those accounts with no-year funding authority.

This year, renewed emphasis will be given to monitoring the delivery status of obligated orders and accruing expenses for goods and services that have been received but not yet scheduled for payment. In addition, all outstanding UDOs need to be reviewed to determine whether the obligated amounts should be modified or canceled.

**Section 2** outlines the information requirements for the Service's Annual Financial Report which includes Service financial statements, related financial information, and descriptive information on Service assets. It also includes information on program performance and provides an assessment of the Service's management of assets. This report undergoes a rigorous annual audit conducted by KPMG, LLP, an independent public accounting firm. In order to successfully complete the Annual Financial Report, Regional and Washington Office organizations are required to provide information relating to stewardship assets, Service real and personal property, environmental cleanup liabilities, and deferred maintenance. Particular attention needs to be given to the reporting requirements and review processes for real and personal property because they are major components of the financial statements. There is a substantial workload involved in reviewing construction work-in-progress expenditures and recording capitalization and depreciation. Therefore, it is imperative for Regional and Washington Office organizations to complete their assigned reviews within the established timeframes. The Department has established an aggressive reporting schedule which means that delays in submitting required information or completing processes will

have an adverse impact on the Service's preparation of the Annual Financial Statements and the ensuing audit.

A successful closeout requires coordination and cooperation. Therefore, coordination and cooperation is expected among field organizations, Regional Offices, Washington Office program staffs, the Division of Financial Management (Denver and Washington Offices), Division of Budget and the National Business Center's Fiscal Services Unit (NBC).

If you have questions about year-end requirements or procedures, please contact the following officials:

- S     Procurement related questions** should be directed to Regional Contracting and Facilities Management officials.
- S     Financial management** questions should be directed to Regional Budget and Finance officials.
- S     Regional Budget and Finance officials can obtain supplementary information on particular topics from the following individuals:**
  - S     Tom Angus (703) 358-1742, extension 5489, for real property/construction work-in-progress reconciliation**
  - S     Bob Ashworth (703) 358-1728 for procurement issues concerning the IDEAS system and personal property reconciliation**
  - S     Deborah Dennis (303) 969-5870 for National Business Center transactions**
  - S     Mike Honnick (303) 984-6817 for reimbursable agreements, billings and collections**
  - S     Chris Jensen (703) 358-1742, extension 5419, undelivered orders (UDOs) and accrual entries**
  - S     Matt Chabak (703) 358-1742, extension 5418, for fund status/control issues, and Cost Allocation Method (CAM)**
  - S     Dale Petersen (303) 984-6844, FFS payroll interface and payroll accrual entries, financial report distribution**

**S** Barbara Ritter (202) 208-4596, allotment and allocation of budget authority, assignment of budget subactivities

**S** Pam Matthes (703) 358-1742, extension 5417 for stewardship reporting

Updates - These instructions may be updated and amended upon receiving additional guidance from external entities, such as the Department, Treasury or OMB. The Division of Financial Management will issue any updates as amendments.

<b>Reference Table for Important Closing Issues and Related Due Dates</b>			
<b>Section</b>	<b>Paragraph</b>	<b>Issue</b>	<b>Important Due Dates (See Narrative Sections for Details)</b>
<b>1.</b>		<b>Funds Control and Fiscal Issues</b>	
	A.	Allotments, Allocations, and the Control of Funds	Last week in August and fourth week in September (8/30 & 9/24)
	B.	Expiration and Closing of Funding Accounts	Last week in September (9/30)
	C.	Year-end Financial Reporting	Once every week in September (9/4, 9/11, 9/18, 9/25 & 9/27)
	D.	Accruing Expenditures	Last week in August and last week in September (8/30 & 9/30)
	E.	Determining the Validity of Existing Undelivered Orders	Last week in August and third and fourth weeks in September (8/30, 9/21 & 9/27)
	F.	Reimbursable Agreements	Last week in September (9/30)
	G.	Project Code Reviews	Last week in August (8/30)
	H.	Grants Obligations/Deobligations, Payments, Accruals and Advances	Last week in September (9/30)
	I.	Travel Voucher Processing	Fourth week in September (9/25)
	J.	Employee Payroll Costs	First week in September (9/4)
	K.	IPAC Billings	Third and fourth weeks in September (9/20 & 9/27)
	L.	Imprest Funds	First week in September (9/6)
	M.	Collections	Third and fourth weeks in September (9/20 & 9/27)
	N.	Proceeds from the Sales of Motor Vehicles	First week in September (9/3)
<b>2.</b>		<b>Reporting on Stewardship Assets and Program Performance</b>	



<b>Reference Table for Important Closing Issues and Related Due Dates</b>			
<b>Section</b>	<b>Paragraph</b>	<b>Issue</b>	<b>Important Due Dates (See Narrative Sections for Details)</b>
	A.	Final Environmental Cleanup and Contingent Liability Estimates	October 15
	B.	Final Siezed/Forfeited Property Report	October 15
	C.	Final Stewardship Land Report	October 15
	D.	Final Stewardship Assets Reports (year-end information on museum collections and other cultural resources)	October 15
	E.	Final Rec Fee Demonstration Report	October 15
	F.	Final Payment to Counties Report	October 15
	G.	Final Stewardship Investments in Non-Federal Property Reports	October 15
	H.	Final Deferred Maintenance Estimates	October 15
	I.	Final GPRA Performance Reports	October 15
	J.	Complete Construction Work-in-Progress Reconciliations	Final reconciliation 10/4, based on RPI data provided to DFM
	K.	Final Real Property and Capitalized Equipment Assets Report	RPI due 9/16; CERs due 9/13

**FY 2002 YEAR-END INSTRUCTIONS**  
**SECTION 1 -FUNDS CONTROL AND FINANCIAL TRANSACTION PROCESSING**

**A. Allotments, Allocations, and Control of Funds**

Allotments and allocations are utilized by the Service to legally define available budgetary resources and at the same time establish funding controls within the FFS accounting system. In closing the fiscal year, it is imperative for the Service's official accounting records to accurately reflect appropriated and earned levels of budgetary resources. Towards this end, the Division of Budget has provided the following schedule for updating the Service's budgetary allotments and allocations:

<u>DATE</u>	<u>YEAR-END CLOSING EVENT</u>
8/30	Allotments signed and faxed to Division of Financial Management/Denver Operations
8/30	Budget Allocation System (BAS) upload file is forwarded to Division of Financial Management/Denver Operations
8/30	Allocation corrections for rejected BAS transactions are completed and cleared from FFS SUSF table
9/20	Allotments signed and faxed to Division of Financial Management/Denver Operations
9/24	BAS upload file is forwarded to Division of Financial Management/Denver Operations
9/24	Allocation corrections for rejected BAS transactions are completed and cleared from FFS SUSF table

The overall responsibility for funds control is assigned primarily at the Regional level. Within these responsibilities, Regions are responsible for ensuring that funds are used in accordance with their appropriated or authorized purposes; and Regions are to ensure that obligations do not exceed their respective budget allocations at the appropriate budget activity level. Managers and individuals who oversee and initiate financial activity are responsible for ensuring that all obligations are properly recorded with correct accounting coding.

**B. The Expiration and Closing of Funding Accounts**

In accordance with Federal Accounting Standards, the Service must properly process and record obligations and expenditures incurred during FY 2002. This applies to **all** funding accounts, regardless of whether they are appropriated or are collected as receipts, and regardless of whether they are appropriated for 2 years or are available until fully expended. The FFS system will be open through September 30, 2002, to record legal obligations and expenditures. **The general cut-off date and time for obligations and expenditures will be 8 p.m. MDT on Monday,**

## September 30.

Some transfer accounts have special administrative cut-off dates which are necessary to facilitate returning unobligated funds to the parent agency prior to September 30, 2002. These accounts and their cut-off dates and times are listed below.

Federal Aid - Highways, 14-69X8083(6) - cut-off is August 15

**If there are any problems or delays in processing transactions prior to the established cut-off deadline, organizations should immediately transmit transaction documentation to their Regional Budget and Finance offices for processing.**

This year, the following funding account(s) will expire, meaning that all obligations chargeable to these accounts need be recorded by the established cut-off date and time. As of October 1, 2002, these appropriations will no longer be available for new obligations.

FY 2001/2002 Resource Management Appropriation, 141/21611

FY 1996/2002 Refuge Entrance and Use Fees, 14 6/2 5252

Regarding the closing of appropriations, they are required to be closed 5 years after expiration. This year-end the Service will close the FY 1996/1997 Resource Management Appropriation, at which point any remaining unobligated balances from the FY 1996 account will be forwarded to Treasury.

<u>DATE</u>	<u>YEAR-END CLOSING EVENT</u>
9/30/2002	Transaction Cut-Off Date for FY 2002 obligations and expenditures
9/30/2002	FY 2001/2002 Resource Management Appropriation expires
9/30/2002	FY 2002 officially ends

## C. Year-end Financial Reporting

In order to provide timely financial information at year-end, the Division of Financial Management will provide financial reports on an interim basis. The production of these reports will occur on Wednesday, September 4, September 11, September 18, September 25, and Friday, September 27. The reports will be posted on the following morning to the Division of Financial Management/Denver Operations's internet site (<http://fc.fws.gov>) for report distribution. The following reports are scheduled for interim production:

Appropriation Funds Status Report - National (FWS62002)  
Appropriation Funds Status Report - Regional (FWS62001)  
CAM Direct Charges Exception Report (FWS73001)  
CAM Summary Report (FWS73201)  
Estimated Assessment Income - Regional Offices (FWS91401)  
Federal Express Report (from Division of Financial Management)  
Nations Bank Subsidiary to OOTR (FWS19001)  
Nations Bank Adjustment Subsidiary to OOTR (FWS19101)  
Nations Bank Invoice Transaction Report (FWS19701)  
Office Collection Transaction Report (FWS32401)  
Office Management Report (FWS33001)  
Office Management Report - PYRM (FWS43001)  
Office Obligation Transaction Report (FWS32001)  
Outstanding Undelivered Orders Report (FWS32101)  
Over-obligated Contributed Funds Report - Regional (FWS63701)  
Over-obligated Contributed Funds Report - Summary (FWS63702)  
Over-obligated Projects Report (FWS31601)  
Over-obligated Sub-projects Report (FWS31603)  
Over-obligated Sub-projects Report - Summary (FWS31604)  
Over-Obligated Projects Report - Summary (FWS31602)  
Project Obligation Transaction Report (FWS31801)  
Regional Contributed Funds Status Report (FWS63701)  
Regional Reimbursable Project Status Report (FWS63101)  
Regional Reimbursable Sub-project Status Report (FWS63201)  
Regional Subactivity Management Report - PYRM (FWS43101)  
Regional Subactivity Management Report (FWS33101)  
Rehabilitation and Construction Project Detail Report (FWS33501)  
Rehabilitation and Construction Project Summary Report (FWS33502)  
Reimbursable Agreement Carryover Report (FWS63401)  
Selected Projects Summary Report (FWS31701)

#### **D. Accruing Expenditures**

It violates appropriation law to reserve FY 2002 funding for goods and services that are scheduled for order and delivery in FY 2003. Accruals are not to be used to accomplish such reservations of funds. For example, if you want to purchase goods or services in the next fiscal year, but know that you won't be able to order or receive them before the end of this fiscal year, do not obligate estimated charges in FFS. In this first example, neither an obligation nor an accrual should be

entered into FFS. If, however, you can order and receive goods within this fiscal year, or if you historically have received goods and services at the very end of every month or at the end of September every year, please obligate charges in FFS prior to the close of the fiscal year. In this latter example, transactions to properly record in FFS goods and services that are received in this fiscal year but will be paid for next fiscal year are accrual transactions, which are discussed in this section. However, goods and services that have been ordered from a vendor this fiscal year, but have not yet been received as of the end of the fiscal year, are considered undelivered orders (UDO) transactions, which are discussed in Section E.

Accrued expenditures are defined as charges incurred for goods or services that have been received by the end of the fiscal year, but not scheduled for payment until the next fiscal year. To ensure that all valid FY 2002 expenses are recorded in FFS and reflected in year-end financial statements, an accrual must be established. **There are only two exceptions. Expenses for reimbursable activities and PCS travel are not to be accrued.**

Detailed supporting documentation for all accruals (including a brief description to identify the source of the accrual) must be maintained for audit purposes and must support the amount of the accrual by document control number. Examples of acceptable documentation for accruals are defined in guidance provided by the Regional Budget and Finance Offices. Throughout September, please monitor the FWS 32001 Office Obligations Transactions Report to identify payments for goods and services for which balances have been accrued. When such payments occur, the respective accruals should be adjusted as appropriate.

There are two types of accrual transactions available – **YA** accruals and **YR** accruals. **YA** accruals are automatically self-reversing (if the reversal date is keyed), meaning they are systematically deobligated in FFS. **YR** accruals do not automatically reverse and a reference must be established so that the charges accrued can be tied to future payments or a modification must be processed manually to FFS. After you determine which type of accrual is necessary, by determining whether it meets one of the two conditions described below, you will need to match your accrual situation with the proper form, which follows this discussion. Remember, accruals are used to properly record situations where goods and services are received at or before the end of the current fiscal year, but associated payments will not be scheduled until the next fiscal year. This includes situations where payments cannot be scheduled because the goods and services are accepted after FFS cut-off date in September 2002.

**Whether an accrual transaction is entered into FFS as a YA or YR depends on when the payment will be approved and processed.**

**Condition 1** - If the payment is certain to be processed in FFS prior to October 31, 2002, a YA accrual will be required. In this case, the accrual can be automatically reversed because it is certain that the actual payment transaction will be entered in FFS prior to month-end closing for October 2002. Examples include expenses for GSA Motor Pool, Telephone, and Fedstrip. The YA accrual may also be used to record unobligated expenses that have been incurred for goods or service received before the end of the fiscal year that will be processed for payment prior to October 31.

**Condition 2** - If the payment will be processed after October 31, 2002, or if the payment date is unknown, a YR accrual will be required. In this case, the accrual cannot be automatically reversed because the date that the payment transaction will be entered in FFS will occur after October month-end closing. This accrual will reference the undelivered order when it is entered into FFS (REF ORDER TRANS CODE/NUMBER). Examples include purchase orders, cooperative agreements, and goods received from the Office of Aircraft Services. Although the YR is intended for obligated expenses, it may also be used to record unobligated expenses that have been incurred for goods or services received before the end of the fiscal year, but that won't be approved and processed for payment until after October 31; however, they will require special handling by the Division of Financial Management/Denver Operations and NBC and its use will require a justification and explicit support documentation. In most cases, grant payments need to be accrued as YR accruals. For specific guidance, please refer to Section H. on Grants.

The two types of accruals and the applicable conditions and situations determining which type of accrual transaction should be used are described below. **Both types of accrual transaction require the use of specific vendor codes. Past practices of using generic vendor codes for accruals was discontinued due to the need for more precise reporting.**

It is also essential that accruals relating to equipment, land and structures include the appropriate object class code reflecting whether the item is capitalized or non-capitalized property. Capitalized items are recorded as assets rather than expenses on the Service's financial statements. A capitalized item has an estimated useful life of 2 or more years, and an acquisition cost above a certain dollar threshold. In the case of equipment (object class 31XX), the Service's threshold is \$25,000; for land and structures (object class 32XX) our threshold is \$50,000. Please note that if a transaction is part of a larger project/purchase (e.g., windows purchased for a building under construction), the cost of the overall project should be used when determining if the item should be capitalized.

#### **YA Accrual Transactions - Forms to Use**

<u>Situation</u>	<u>Designated Exhibit To Use</u>
Travel Bank of America Credit Card GSA Motor Pool GSA Telephone GSA Fedstrip Utilities BPA	Exhibit 1 - YA
Cash Awards Lump Sum Leave Payments Payroll Accrual Costing Adjustments	Exhibit 1a - YA for payroll

### Other Instructions for YA Accruals

To properly set the YA accrual in FFS, you must set a reversal date, which will cause the accrual to reverse automatically at the end of October 2002. **You must enter “01 2003”** in the “reversal field” located in the header data entry screen, which sets the accrual to reverse automatically on October 31, 2002. The entry, 01 2003, refers to the first accounting period of Fiscal Year 2003. **Regional FFS Coordinators need to monitor RVJV table in FFS to ensure that correct reversal periods are entered.**

Cash Awards - When you establish a YA accrual for cash awards and other payroll related transactions, you must include the benefits and additives in budget object class 12\*\* in addition to the salary expense in budget object class 11\*\*. Including the correct salary and benefit amounts in the appropriate object classes is very important.

Bank of America Credit Card - The last day for using credit cards **for non-emergency procurement** will be September 27, 2002. The final Bank of America billing file of FY 2002 will be posted September 24 to the FFS CARD tables. The last day to make adjustments in EAGLS is Tuesday, September 24<sup>th</sup>. Any adjustments received from EAGLS will be processed into the CARD table though Thursday, September 26<sup>th</sup>. Any adjustment made to EAGLS but not reflected in CARD by Friday, September 27<sup>th</sup>, will need to be made to the CARD table manually. Each Region needs to review and confirm that credit card charges being accrued are not reflected on the FWS 32001 Office Obligation Transaction Report dated September 25<sup>th</sup>. These accruals must use the Bank of America vendor code, 3001798094E, **except** when the charge is to another **Federal** agency. When the vendor is another Federal agency, use the agency’s vendor code. **All credit card accruals must incorporate correct budget object class codes that are consistent with the items purchased.** Credit card adjustments can be entered into FFS through the FFS cut-off date in September.

Federal Express - **Do not accrue expenses for Federal Express.** These are going to be processed centrally by the Division of Financial Management during the last week in September.

Payroll accruals discussed in Section 1.J, Employee Payroll Costs

**YR Accrual Transactions - Forms to Use** - YR accruals do not automatically reverse and must be referenced to future payments. Accruals can be monitored by using FFS reports detailing outstanding accruals.

<u>Situation</u>	<u>Designated Exhibit To Use</u>
Purchases from other federal agencies Contracts	Exhibit 2 - YR

#### Other Instructions for YR accruals

When establishing a YR accrual for an **obligated** expense that is expected to be invoiced and paid after October 1, the YR must include the reference to the undelivered order or obligation. To do this, enter the document control number in the Reference Order ID Number (REF ORDER TRANS CODE/NUMBER) on the YR transaction screens and on the YR Exhibit 2. Accrual amounts can be based on **reasonable estimates** of the services or goods delivered. This is particularly the case when it is not feasible to contact vendors.

Remember, accruals are estimated amounts. If the invoice is less than the accrual and the payment is marked final in FFS, the UDO is not set back up and the UDO may be short of money when the remaining invoices come in. The field needs to pass a modification against the accrual and then do the referencing payment. The only exception would be if the invoice is the final invoice that will be received against that contract.

There may be special circumstances under which a YR accrual may be established for an **unobligated** expense, for which goods and services have been received, that will be invoiced and paid after October 31, 2002. These expenses will not have a Reference Order ID Number on the YR transaction screens or on the YR Exhibit 2 as they were either never obligated in FFS or do not reference to an undelivered order. Either or both the Division of Financial Management/Denver Operations and the NBC will contact you to ask for an explanation of the use of the YR and supporting documentation in this case to determine how to properly process the transaction.

Documentation - YR accrual transactions, because they are referencing, require careful



documentation. YR accruals for Government vendors are transmitted to the NBC by the Service's Division of Financial Management/Denver Operations so that intergovernmental payments can be made through the IPAC system. YR accruals for public vendors should be retained by the entering organization, along with any supporting documentation, so that reconciliation with FFS is possible.

GSA motor vehicle payments that have been accrued with a YR accrual transaction referencing a UDO require special attention from the NBC. These payments will not be processed successfully using the FedStrip interface and will consequently have to be reconciled with YR transactions.

Please note that in situations where documentation is required from the payee (e.g., a land appraisal) as a condition of receiving payment, the liability should not be accrued until all documentation required for payment is received. In this case, if the required documentation is not complete as of year-end, a YR accrual should not be established.

For those goods and services received prior to year-end, but for which receiving reports or other formal documentation of acceptance were not prepared until after fiscal year-end, it is Service policy that all items are assumed to be received and accepted as of the date of the receiving report, unless there is specific knowledge that the acceptance processes were unnecessarily delayed. If the date of the receiving report falls prior to September 30, a YR accrual should be established. If the date of the receiving report falls into the next fiscal year, the transaction should remain an undelivered order. In cases where the acceptance processes were not performed in a reasonable period of time, the items should generally be assumed to be accepted within 7 business days of receipt of the goods or services for purposes of determining if accruals are necessary. However, if a longer acceptance period is specified in a contract, acceptance date will be as indicated in the contract. In these cases, no accrual is necessary if the acceptance date is in the next fiscal year.

#### **E. Determining the Validity of Existing Undelivered Orders**

For financial reporting purposes, the accurate delivery status of orders for goods or services must be reflected in FFS as of September 30, 2002. Financial statements need to accurately reflect amounts for goods and services:

- that have been received but not yet scheduled for payment as of the end of the fiscal year (accruals), which are discussed in the previous section; and
- for which delivery or performance has not yet occurred (undelivered orders -- UDOs), discussed in this section.

However, there are conditions under which it may not always be clear whether the goods or

services were actually received before the close of the fiscal year. Organizations need to review their Outstanding UDO Reports (FW32101) to determine whether work has been performed or goods received but not yet billed. In particular, construction contracts, maintenance agreements, and other types of contractual agreements should be analyzed.

As discussed in the previous section, it is Service policy that all items are assumed to be received and accepted as of the date of the receiving report unless there is specific knowledge that the acceptance processes were unnecessarily delayed. If the date of the receiving report falls prior to September 30, a YR accrual should be established. If the date of the receiving report falls into the next fiscal year, the transaction should remain an undelivered order and no accrual is necessary (refer to exception in previous section).

For a variety of reasons, UDO amounts recorded in the accounting system may no longer be correct as of fiscal year-end. Individual organizations need to conduct comprehensive reviews of their outstanding UDOs and make any necessary adjustments. The year-end review is an extension of the **required quarterly review process** which was established by a policy memorandum signed by the Director.

The year-end review must utilize the August month-end FWS32101 OUO Report. Then, the interim reports, dated in mid-September, should be reviewed to identify additional UDOs that need to be adjusted, and also to validate that previously identified UDO adjustments were accomplished.

**Reviewed reports should be annotated with the initials of the person conducting the review and the date the review was completed. Explanations and any additional documentation for each of the adjustments should be attached to the reports. These reports need to be retained by each Regional Office for the period covering the audit of the financial statements. Finally, each Regional Director and Assistant Director must certify that the organizations under their control reviewed their undelivered order balances and that to the best of their knowledge, these balances are valid. The certification is to be completed using Exhibit 3 and must be submitted to the Director by September 27, 2002.**

Determining When to Reduce or Cancel a UDO - Examples of situations where a UDO should be reduced or canceled include:

- all goods or services for which the UDO was established have been received and paid for;
- based on management's analysis there is no reasonable chance for future liabilities (e.g., contracts where work is completed and additional costs are not expected); and

- the basis for the original obligation no longer exists (e.g., land purchases contingent on zoning changes that were subsequently denied).

Deobligations of contracts and purchase orders need to be coordinated closely with responsible warranted contracting officers to ensure that cancellations or adjustments result in corresponding amendments and modifications to the procurement documents. Similarly, reductions or cancellations to inter-governmental undelivered orders needs to be coordinated with the NBC. Copies of the annotated undelivered orders reports detailing the reductions or cancellations must be forwarded to the Division of Financial Management/Denver Operations, which will forward them to NBC.

Determining When **Not** to Reduce or Cancel a UDO - If, based on management's assessment of the status of a UDO, there is a reasonable chance that additional liabilities will be incurred, the UDO should **not** be canceled. For example, if the final invoice of a contract is in dispute and is being contested and there is a reasonable chance that the additional amounts may be owed to the vendor, maintain the obligation until the dispute has been resolved.

Special Attention for UDOs for PCS Moves - Please note that UDOs relating to permanent change of station (PCS) moves should be reviewed carefully to determine whether obligations relating to specific aspects of the move are still valid. For example, if a relocating employee has completed temporary quarters and has received appropriate reimbursement, any amounts remaining in budget object class (BOC) 1212 should be de-obligated. The Regional PCS Coordinator is to be contacted for de-obligations. The amounts remaining in BOC 1212 cannot be retained to cover potential shortfalls in amounts obligated for other aspects of the move.

<u>DATE</u>	<u>YEAR-END CLOSING EVENT</u>
9/27	Completion of fourth quarter, year-end review of undelivered orders, cancellation or adjustment of invalid orders, and submission of Exhibit 3

## F. Reimbursable Agreements

The Service conducts reimbursable activity in the following accounts:

- FY 2002/3 Resource Management Appropriation: 19XX subactivities [includes Law Enforcement fees in subactivity in 1944, 1945 and Endangered Species permitting fees 1948]
- No-Year Resource Management: 4371 and 4372 subactivities
- Construction Appropriation: 2696, 2697, and 2698 subactivities

- Land Acquisition Appropriation: 8471, 8472, 8473, 8474 and 8912 subactivities

#### Closing of Reimbursable Agreements

Reimbursable work activities must be covered by a signed reimbursable agreement and cannot be in an over-obligated status at the fiscal year-end close. Consequently, the Division of Financial Management/Denver Operations will clear any obligated balance from projects not covered by a signed agreement. In addition, over-obligated balances will be redistributed from reimbursable projects to alternative fund sources during the last week of the fiscal year. The Regional Budget and Finance Offices are responsible for providing the alternative cost structures for these redistributions.

#### Reduction of Reimbursable Budget Authority at Year-end

The budget authority associated with reimbursable agreements is reduced at year-end to match the reimbursable obligations. This is done to prevent the distortion of reported budget authority and carryover balances. The Service has made great progress in reducing distorted carryover balances caused by the closing of reimbursable agreements. To continue the improvement in this arena, a new financial management report, Reimbursable Agreement Carryover Report (FWS63401) was entered into production in June 2001 to assist Regional and Division of Financial Management/Denver Operations staff in evaluating and reducing the budget authority for reimbursable agreements that exceed the level of obligations.

The reduction of reimbursable budget authority is done for budgetary and financial statement reporting purposes. As such, the reduced amounts of budget authority will be restored to their respective agreements upon the initiation of FY 2003 business.

#### Reservation of Project Numbers for FY 2003 Agreements

To reserve reimbursable project numbers in FY 2003 for current FY 2002 projects, please prepare a memorandum indicating those project assignments that will be needed for FY 2003 reimbursable activities. The memorandum should be forwarded no later than Tuesday, August 27, 2002, to the attention of the Cost Accounting Section at the Division of Financial Management/Denver Operations.

#### Accruing Expenses for Reimbursable Agreements

Accruals on reimbursable activities cannot be billed to reimbursable customers. **Therefore, do**

**not accrue expenses at year-end for reimbursable activities (except for sub-project 1944).**  
Also, do not obligate payroll expenses in lieu of accruals.

FY 2003 Implementation of the “90-Day Rule”

Of special importance to those officials currently negotiating agreements for FY 2003 is the continued impact of the “90-Day Rule”. Officials need to be aware of this new policy in negotiating the terms of the agreement. In January 2001, the Service issued an updated policy on reimbursable agreements. Within this document, procedures were established to ensure that the Service does not incur a significant amount of reimbursable obligations that cannot be recovered. Beginning in FY 2002, any agreement that is not finalized at the Division of Financial Management/Denver Operations within ninety (90) days **of the first obligation** will be restricted to stop all future spending against the project. If a project is to continue, obligations must be shifted to a legally available direct funding source. Regional Budget and Finance offices do not have the authority to override this restriction. Therefore, overrides are prohibited on restricted projects. Exceptions to the “90-Day Rule” will only be granted by the Chief Financial Officer, the Assistant Director - Business Management and Operations.

The Division of Financial Management/Denver Operations may not notify your office when a project is restricted, so Regional Budget and Finance offices should begin monitoring projects within their Region using the EST Reimbursable Agreements By Age Report (FWS31401).

If an additional ninety (90) days passes and there is still no finalized agreement in place at the Division of Financial Management/Denver Operations, all obligations will be automatically charged back to the primary funding source previously identified for the project. Please note that if this action occurs, it will be the responsibility of the Region to redistribute costs back to the reimbursable project once finalized and charges will no longer be correctly identified in the OARC and CARD tables.

<u>DATE</u>	<u>YEAR-END CLOSING EVENT</u>
8/27	Reimbursable project reservation memorandum due to Division of Financial Management/Denver Operations

## G. Project Code Reviews

Project codes are used to track the financial activity of particular activities. Regional and program organizations must review their FY 2002 project codes and determine which project codes will be discontinued for FY 2003.

A comprehensive project code inventory will be distributed to each Regional Budget and Finance Officer by July 17, 2002, to facilitate this exercise. A marked-up copy of this project inventory must be completed to communicate which project codes can be deactivated at the close of FY 2002. The inventory must be submitted to the Division of Financial Management/Denver Operations by August 27, 2002. Questions regarding this exercise should be directed to your Regional Budget and Finance Officer.

DATE	YEAR-END CLOSING EVENT
8/27	Project rollover information due to the Division of Financial Management/Denver Operations

## H. Grants Obligations/Deobligations, Payments, Accruals and Advances

Reviewing Validity of Grant Obligations. Although the Service's grant programs differ as to type of recipient, payment distribution methods, and timing of payments, all need to be reviewed to determine the status of their obligations at year-end. All grants that remain open past their expiration date should be reviewed to determine if the obligation amount is still valid. Grants are often held open until the grantee submits a Financial Status Report, SF-269, which is generally due within 90 days after the end of the grant period. When the 90-day period is exceeded, the UDO amount should be de-obligated even if the SF-269 has not been received, unless there is a reasonable chance that additional payments will be made against the grant.

Accruals of Grantee Claims for Reimbursement. Grant programs that do not use the Federal Aid Information Management System (FAIMS) to process grant payments will need to accrue amounts claimed by grant recipients for **costs incurred** that are received after the FFS cut-off date but before fiscal year-end. These claims should be entered as YR accruals. For Federal Aid grants and other grants that are processed through FAIMS, accruals will be prepared centrally by Denver Operations based on information contained in FAIMS.

Accruals of Unbilled Grantee Expenses. Recently issued Federal financial management standards require agencies to accrue unpaid amounts due to Federal grantees for incurred costs that they have not yet claimed. The Division of Financial Management will accrue amounts for these situations based on a high level analysis of recipient spending for various types of grants.

Grantee Requests for Advances. Grantee requests for advances received after the FFS cut-off date but before fiscal year-end do not need to be accrued. They will be processed after FFS is re-opened for normal operations in early October 2002.

Year-end Requirements for Federal Aid Program.

**FAIMS/FFS Interface.** Normal FAIMS/FFS interface operations will be in effect on the cut-off date September 30, 2002. The interface file must be delivered from the FAIMS MD2 master site to the NBC by 12 (noon) MDT October 1, 2002. No other FAIMS files will be processed until after the 12<sup>th</sup> month close.

<u><b>DATE</b></u>	<u><b>YEAR-END CLOSING EVENT</b></u>
9/30	Cut-off for Federal Aid grant drawdowns
10/1	Federal Aid grant obligation/deobligation information and HHS PMS payment information submitted to FAIMS MD2 site by 3 p.m.
10/1	FAIMS MD2 site forwards consolidated obligation/deobligation and HHS PMS payment information to Division of Financial Management/Denver Operations by 7 p.m.
10/2	NBC coordinates corrections of rejected transactions from final FAIMS/FFS interface file with designated Federal Aid points of contact.

## **I. Travel Voucher Processing**

All travel vouchers must be submitted to and received by the NBC by September 20. Expenses for official travel that cannot be submitted by this cut-off date must be accrued. Refer to Section D for guidance on preparing accruals for travel expenses.

<u><b>DATE</b></u>	<u><b>YEAR-END CLOSING EVENT</b></u>
9/20	Travel voucher for FY 2002 due to NBC.

## **J. Employee Payroll Costs**

Payroll accruals are YA accruals. The Division of Financial Management/Denver Operations is planning to prepare and enter accruals for pay costs for pay period 20. Successful preparation and entry of these accruals depends on the Department of the Treasury's activity and the timely arrival of the FPPS system's payroll interface files.

The Division of Financial Management/Denver Operations will prepare a **projected** payroll accrual based on 160 percent of pay period 19 costs. It is anticipated that this accrual of pay period 19 would cover all of the projected costs for pay period 20 and that portion of pay period 21 in September 2002.

**Payroll Variances Caused By Overtime, Promotions, New Hires and Terminations**

Overtime, promotions and new hires will cause increases in pay costs that may not be reflected in the Division of Financial Management/Denver Operations's accruals. Similarly, terminations of employment will cause decreases that will not be reflected in the pay costs accrued by the Division of Financial Management/Denver Operations. In these cases when there are variances to the pay costs accrued by the Division of Financial Management/Denver Operations, Regional and program organizations must prepare and enter a YA accrual.

**Due to the complexity of accruing cash awards, all cash awards should be processed by September 2, 2002. If a cash award cannot be processed by this date, the issuance of cash awards should be deferred until FY 2003.**

The following conditions define when an **accrual is necessary for cash awards** and must be prepared by Regional and program organizations and are YA accruals:

- Condition 1 - Cash awards approved by a servicing Division of Human Resources is entered into FPPS after the first week in September 2002, but before September 30, 2002;
- Condition 2 - The Division of Financial Management/Denver Operations accrues **projected** pay costs for pay period 20 based on 160 percent of pay period 19; and
- Condition 3 - Any variance to pay costs in the form of increases or decreases between the accrued payroll and the actual payroll costs.

The following conditions define when an **accrual is not necessary**:

- Condition 4 - Cash awards approved by a servicing Division of Human Resources and entered into FPPS by the first week in September 2002, will be paid by pay period 19 with a FY 2002 pay date;

#### Payroll Payments for Reimbursable Activities

Payroll costs for reimbursable subactivities **will not** be accrued due to problems caused by billing customers for accrued payroll costs. This applies to all reimbursable subactivities:

- FY 2002/3 Resource Management Appropriation: 19XX subactivities [includes Law Enforcement fees in subactivity in 1944, 1945, and Endangered Species permitting fees 1948]



- No-Year Resource Management: 4371 and 4372 subactivities
- Construction Appropriation: 2696, 2697, and 2698 subactivities
- Land Acquisition Appropriation: 8471, 8472, 8473, 8474 and 8912 subactivities

**Do not** submit an accrual for these costs.

<u>DATE</u>	<u>YEAR-END CLOSING EVENT</u>
9/2	Cut-off date for year-end FY 2002 personnel actions. Accruals (YEAs) should be submitted for those actions approved after 9/6/2002 but before 9/30/2002 that will increase FY 2002 labor costs.

## K. IPAC Billings

Regular processing of obligated inter-agency billings will be processed via IPAC by the NBC through the FFS cut-off date (September 30th).

Warranted contracting officials need to communicate to Federal agencies billing the Service that IPAC billings must include the Service's Agency Location Code (14160006), the correct Document Control Number, and a Service point of contact and point of contact phone number.

As of September 24, inter-agency IPAC billings that **do not** reference the Service's Agency Location Code, the correct obligating Document Control Number and Service point of contact will not be processed (until October 1, 2002).

The NBC will provide a list of non-referencing billings to the appropriate Regional Budget and Finance offices during the fourth week in September. Regional Budget and Finance offices will work to reconcile unprocessed, non-referencing transactions. Source documents for these unprocessed transactions must be received by the NBC 2 days before the FFS cut-off date in October.

A YA accrual must be established for any inter-agency IPAC bills submitted to FWS in the third week in September, but **not previously obligated** (i.e. motor pool and GSA telephone). Consult Section D for guidance on preparing accruals.

- **NBC Note:** Please do not process non-referencing IPAC documents after the third week in September. Referencing IPAC documents should be processed through the FFS cut-off date in October 2002. Provide a list of non-referencing transactions to Regional Budget and Finance offices the week before the FFS cut-off date in October.

**RDE Reminder:** Do not process RDE payments for government vendor invoices. These should be transmitted to the NBC for processing.

<u>DATE</u>	<u>YEAR-END CLOSING EVENT</u>
9/24	Cut-off date for NBC processing of non-referencing IPAC payments. YA accruals must be submitted for those unobligated IPAC bills submitted after 9/20/2002.
9/27	NBC provides list of unprocessed non-referencing transactions to Regional Budget and Finance offices.
9/30	Regional Budget and Finance offices forward source documents for non-referencing IPAC transactions to NBC.

## **L. Imprest Funds**

Imprest fund replenishment vouchers should be forwarded to the NBC by September 6, 2002. Regional Budget and Finance Officers can authorize and regulate only emergency purchases from imprest funds after this date. Vouchers for imprest purchases will not be processed after the third week in September.

Please refer to Section M. for guidance on submitting deposit vouchers for imprest closures.

<u>DATE</u>	<u>YEAR-END CLOSING EVENT</u>
9/6	Cut-off for routine imprest fund payments. Only emergency payments after this date.
9/20	Final FY 2002 imprest fund replenishment vouchers due to NBC.

## **M. Collections**

All collections received must be forwarded to the Dallas Lockbox in a timely manner. Do not hold collections, even if they are received late in the fiscal year. As a general rule, it takes about 5 days for a collection to be processed through the lockbox. Therefore, all collections in hand as of the **second week** of September should be submitted to the Lockbox. Imprest closure deposit vouchers must also be submitted to the Lockbox by the third week in September.

Collections received by the lockbox by September 23, 2002 will be posted as FY 2002 business. Collections received after that date will be posted as FY 2003 business. In these cases, the Division of Financial Management/Denver Operations will prepare and enter an accrual to ensure that the collections are properly reflected in the financial statements and reports. Copies of **ALL** collection transmittals sent to the lockbox after Wednesday, September 18<sup>th</sup> must be faxed to the

Cost Accounting Section at 303-969-5745, Attention: Carla Bollinger.

### Law Enforcement and Credit Card Collections

Law Enforcement inspection and permitting collections and collections from other Service activities using the credit card collection network must reach the Division of Financial Management/Denver Operations by September 30, 2002.

Credit card collections that are not received by September 30, 2002 need to be accrued. These accruals must be prepared regardless of the circumstances or the amounts involved. In these cases, organizations must fax a copy of the collection transmittal to the Cost Accounting Section at 303-969-5745.

<u>DATE</u>	<u>YEAR-END CLOSING EVENT</u>
9/20	Forward collections and Imprest closure deposit vouchers to Dallas Lockbox.
9/30	Collections and Imprest closure deposit vouchers processed as part of FY 2002 business
9/30	Law enforcement and credit card collections need to be received by Division of Financial Management/Denver Operations

### **N. Proceeds From Sales of Motor Vehicles**

Proceeds from sales of used Service vehicles can be utilized to procure like vehicles. Such proceeds that are authorized to be applied to future purchases must be received by the Division of Financial Management/Denver Operations by the first week in September 2002. Proceeds received after that date will **not** be processed and will be forfeited if they are FY 2001 receipts.

<u>DATE</u>	<u>YEAR-END CLOSING EVENT</u>
9/3	Proceeds from sales of used motor vehicles must be received by Division of Financial Management/Denver Operations

## Section 2

**FY 2002 YEAR-END INSTRUCTIONS  
SECTION 2 - INFORMATION FOR THE FY 2002 ANNUAL REPORT**

**This guidance on stewardship assets and program performance** identifies information required to report on assets held by the Service and program performance that accomplishes Service goals. Confirming the existence and value of Service assets (lands, facilities, and cultural resources), coupled with asset condition assessments, liabilities estimates and revenues generated, are vital to preparing financial statements. Program information is integral to accurate financial reporting, particularly since this information must be reconciled with the information recorded in FFS throughout the year. In response to legislation mandating improved management and program accountability, the Service provides the public and the Congress with detailed information about financial integrity and about the condition of stewardship assets in its Annual Financial Report. The Service implements new Federal accounting standards by describing program performance, reporting on financial position, and providing an assessment of the condition of assets. The Annual Financial Report, which includes Service financial statements, related financial information and descriptive information on Service assets, undergoes an annual audit conducted by an independent public accounting firm on behalf of the Office of Inspector General. Information in the Annual Financial Report relies on the accuracy of information compiled or analyzed during year-end closing processes.

Regional and Washington Office organizations are required to report on the existence and condition of stewardship assets, net changes in property held, estimates of future liabilities for environmental cleanup of Service facilities and lands, and estimates of deferred maintenance on refuge, fish hatchery, and law enforcement facilities. Particular attention needs to be given to reports on real and personal property as they are major components of the financial statements and the Report.

The Service must provide detailed information on revenues generated from stewardship assets, such as the Recreation Fee Demonstration Program and payments to counties. Service programs awarding grants to State and local governments resulting in the purchase, construction or major renovation of physical properties owned by State and local governments must provide information on the dollars awarded and the purposes of the grant program. Consistent with last year, grants administered by the Federal Aid and Endangered Species Programs must report on those grants that result in investments in non-Federal properties.

This year, OMB and the Department require the Service to report on a subset of program accomplishments achieved under each of the Service's mission and strategic goals identified in the Annual Performance Plan that accompanied the Service's budget and was prepared according to the requirements of the Government Performance and Results Act (GPRA). The information provided in

the Service's Annual Financial Report must be consistent with that provided in the Service's budget documents and Annual Performance Report, even though reporting cycles and due dates within the finance and budget cycles differ from one another.

Although the Service is working to automate and streamline reconciliation processes governing construction work-in-progress expenditures and recording the capitalization and depreciation of real and personal property, manual processes still remain in place which represent substantial workloads. Facilities managers must report on the original cost of structures and buildings and the costs of improvements or additions to structures and buildings. Useful lives are determined centrally and are tied to maintenance codes recorded and tracked within the Real Property Inventory. Such information is necessary to apply proper accounting treatments for depreciating and capitalizing property held by the Service. It is imperative for Regional and Washington Office organizations to complete their assigned reviews and reconciliations within the established time frames. The OMB established an aggressive reporting schedule which means that delays in submitting required information or completing processes will have an adverse impact on the result of the Service's annual audit.

The following categories of Program Reports are reported either on the face of the Primary Financial Statements or as Footnotes to the financial statements, or as required supplementary stewardship information, required supplementary information, or as other accompanying information in the Service's Annual Financial Report. Text in the report is management's discussion and analysis (MD&A)<sup>1</sup> of its goals, successes, challenges, and future based on the status of its financial position.

**A. Final Environmental Cleanup and Contingent Liability Estimates - Principal Financial Statements and Footnotes**

**Environmental Cleanup Liabilities (ECL) - Principal Financial Statements and Footnote**

ECL estimates are required annually and are based on program management estimates of cleanup costs for sites under the jurisdiction of the Service and management's evaluation of potential future liability. These estimates are accrued and are presented as a liability in the Service's Principal Financial Statements, particularly on the Consolidated Balance Sheet.

These estimated liabilities represent clean-up costs to the Service that may result in payment of

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<sup>1</sup>MD&A, as defined in accounting standards, is reported as RSI and should include understandable and accessible information about the reporting entity (the Service) and its operations. In total, the MD&A should provide the reader with information about the Service's mission and organizational structure, its performance goals and results, its financial statements, its systems, controls, and legal compliance, and an indication of existing, currently-known demands, risks, uncertainties, events, conditions and trends.

substantial monetary claims in the form of wages or contractor payments for the cleaning up or remediating of contaminated sites. Exempt from this estimate are operations and maintenance funds expended annually. Estimating ECLs requires site-specific analysis of contaminated or hazardous materials sites and consideration of all sites in the aggregate. The accounting treatments for these estimates are guided by Statements of Federal Financial Accounting Standards. Accruals are made centrally by the Service's Division of Financial Management/Denver Operations based on estimates received from program management. The correct amount of environmental liabilities accrued in the financial statements must represent those costs that are estimable and only that portion of the total cleanup costs for the site that are probable to be paid by the Service.

Information to support the Service's annual ECL estimate comes from several Service sources. By mid-September, the Division of Financial Management - Washington Office sends out estimates from previous fiscal years to the Washington Office Divisions of Engineering, Fish Hatcheries, Refuges, Realty and Environmental Quality and asks them to work with their Regional and Field Office counterparts to provide updates and other information on the FY 2002 status of individual sites. The Divisions are also asked to verify that the list represents the future liability for cleanup and remediation and represents only those costs that are estimable and includes only those that are probable to be paid by the Service. If cleanup has been completed during FY 2002 at any particular site previously listed as an ECL, that site is removed from the list of future liabilities as of September 30, 2002. Further, the Department's Office of Financial Management will request the Departmental Office of the Solicitor to review their case files and forward to the Service information regarding environmental cleanup cases handled by them on behalf of the Service. Any information provided to the Service, usually to the attention of the Chief Financial Officer, is sent to the Division of Engineering to ensure that information from the Office of the Solicitor has been incorporated into the Service's final ECL estimate. The aggregate estimate for all sites administered by the Service is disclosed in a Footnote to the Financial Statements and presented in the Service's Principal Financial Statements, if recognized.

The ECL estimate for FY 2002 is required to be submitted from the Division of Engineering to the Division of Financial Management by October 15, 2002.

#### Contingent Liabilities Estimate - Principal Financial Statements and Footnote

Disclosure of the Service's estimate of future contingent liabilities is required annually in a Footnote to the Financial Statements. If appropriate accounting standards criteria are met, these liabilities may be recognized by the Service and reported on the face of the Service's

Consolidated Balance Sheet, as well as disclosed in a Footnote to the Financial Statements.

The Department's Office of Financial Management (PFM) requests the Department's Office of the Solicitor (SOL) to review its case files for each fiscal year and list all lawsuits, claims or administrative proceedings it is handling on behalf of the Department and its separate Bureaus. The materiality threshold is set at \$1 million by PFM. In response, SOL and the Justice Department advise the Service's CFO on whether it is probable that the listed legal claims or proceedings will end in a loss for the Service. For all cases reaching or exceeding the reporting threshold, SOL provides either an estimate of the anticipated loss or a statement that the loss is not estimable. As necessary, the Division of Financial Management seeks clarifying information by calling the key contacts provided by the Office of the Solicitor. The timing of this analysis is driven by the Service's receipt of the initial listing from the Department's Office of the Solicitor, although the general requirement for finalization is October 15, 2002.

<u>DATE</u>	<u>YEAR-END CLOSING EVENT</u>
9/13/02	Chief, Division of Financial Management sends memorandum to Program Offices requesting updated ECL estimates for FY 2002
10/15/02	ECL list is due to the Division of Financial Management from the Division of Engineering
10/15/02	Contingent liabilities list finalized for the Service and accrued and/or disclosed by the Division of Financial Management

## **B. Seized and Forfeited Property Report -Principal Financial Statements and Footnotes**

Through the Law Enforcement Management Information System, law enforcement operations provide the Division of Financial Management with their annual inventory of Seized and Forfeited Property and Property Dispositions. This information is reported in terms of the number of cases resulting in seizures and/or forfeitures, including the estimated value of qualifying property. The estimates are reported on the face of the Consolidated Balance Sheet and disclosed in a Footnote. The final text and figures for FY 2002 are due from the Assistant Director - Law Enforcement to the Assistant Director - Business Management and Operations by October 15, 2002.

<u>DATE</u>	<u>YEAR-END CLOSING EVENT</u>
10/15/02	Seized and Forfeited Property Report due from Assistant Director - Law Enforcement to Assistant Director - Business Management and Operations

## **C. Stewardship Land Report - Required Supplementary Stewardship Information (RSSI)**

The Division of Realty records changes to the National Wildlife Refuge and National Fish Hatcheries Systems and submits a report on the total number of units and acreage in each system, any changes from the previous year, and descriptions of additions or deletions to those systems, which is incorporated into the Service's Annual Financial Report as part of the total information presented as RSSI. All data, text, and other accompanying information pertinent to FY 2002 stewardship lands report must be submitted to the Assistant Director - Business Management and Operations by October 15, 2002.

DATE	YEAR-END CLOSING EVENT
10/15/02	Stewardship Land Report due to the Assistant Director - Business Management and Operations

**D. Stewardship Assets Reports - Required Supplementary Stewardship Information (RSSI)**

The Service must manage and account for stewardship lands and natural and cultural heritage assets that cannot be measured in traditional financial terms. Presentation is made as RSSI that accompanies the Service's Financial Statements. The scope of stewardship information to be reported is governed by SFFAS No. 8, Supplementary Stewardship Reporting. The many sources for this information are found throughout the Service, among many Program Offices and Divisions, and from all organization levels of the Service.

FY 2002 will be the 6th year for which the Service reports on the existence and condition of stewardship lands and heritage assets. Program leads for reporting on the existence and condition of stewardship lands are the Realty, Engineering, Federal Aid, Endangered Species, National Wildlife Refuges, and National Fish Hatcheries Programs and their Regional and Field level counterparts. Databases that contribute to the report on stewardship lands include the Lands Records System, Refuge and Hatchery Management Information Systems, Maintenance Management System, Real Property Inventory, Federal Aid Information Management System, and other databases and systems to maintain inventories of lands and facilities and to assess the condition of these assets. Heritage assets held in trust by the Service are reported in the asset categories of natural and cultural resources. Data, text and photos or slides on Stewardship Lands, Heritage Assets and their existence and condition as of September 30, 2002, have a final deadline of October 15, 2002.

DATE	YEAR-END CLOSING EVENT
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10/15/02	Stewardship Assets Reports due to the Assistant Director - Business Management and Operations
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**E. Recreation Fee Demonstration Report - Required Supplementary Stewardship Information (RSSI)**

The Service's Recreation Fee Demonstration Program is administered by the Chief, National Wildlife Refuge System. The Service must report on how much revenue was collected by participating refuges and describe the purposes for which these revenues were collected and expended. Any changes to the number of refuges participating in this program must be disclosed, including a listing of new participating sites. The final deadline for submitting this information is October 15, 2002.

<u>DATE</u>	<u>YEAR-END CLOSING EVENT</u>
10/15/02	Recreation Fee Demonstration Report due from Chief, National Wildlife Refuge System to AD/BMO

**F. Payment to Counties Report - Required Supplementary Stewardship Information (RSSI)**

The Service, through the Chief, National Wildlife Refuges, makes payments to Counties in which Service lands and holdings are located. The final report on these payments made by the Service for the entire fiscal year is due by October 15, 2002.

<u>DATE</u>	<u>YEAR-END CLOSING EVENT</u>
10/15/02	Payments to Counties final numbers due from Chief, National Wildlife Refuge System to AD/BMO

**G. Stewardship Investments in Non-Federal Properties Report - Required Supplementary Stewardship Information (RSSI)**

FY 2002 will be the second year that the Service estimated what portions of all grant programs administered by the Service contributed to stewardship investments in non-Federal property. Such investments include major additions, alterations or replacements; the purchase of major equipment; and, the purchase or improvements of other physical assets owned by State and local governments. Expenses for operations and maintenance are not considered investments. Consistent with last year, the primary grant programs qualifying for disclosure under the FASAB standards are those in the Directorates of Migratory Birds and State Programs and of Endangered Species. All final investment estimates are due October 15, 2002.

<u>DATE</u>	<u>YEAR-END CLOSING EVENT</u>
10/15/02	Final Stewardship Investment estimates due from the AD for Migratory Birds and State Programs and the AD for Endangered Species to AD/BMO

## H. Final Estimates for Deferred Maintenance - Required Supplementary Information (RSI)

Estimates of the Service's costs of deferring maintenance of its facilities and structures into future fiscal years is required annually. Deferred maintenance is "maintenance that was not performed when it should have been or was scheduled to be and which, therefore, is put off or delayed for a future period." The Service's maintenance backlog is tracked in one database program using two separate, but largely identical, maintenance management systems — one for Refuges and one for Hatcheries. The database is known as the Maintenance Management System (MMS) which is a module of the Refuge and Hatchery Management Information Systems. Since the Law Enforcement Program received significant increased funding in FY 2001 and FY 2002 for facilities maintenance, it too will have to report on facilities condition and maintenance needs through the Service's MMS. In FY 2002, the MMS is expected to report on deferred maintenance for all Service facilities, including new and existing law enforcement facilities.

The Service's backlog is developed at field locations, where station managers identify maintenance needs by conducting inspections and developing cost estimates. Engineering staff in the Regional Offices are responsible for reviewing these estimates consistent with Servicewide guidance on developing cost estimates that include labor, materials, equipment, and related planning design, and construction management costs. During the summer of every year, the responsible Program Offices review their deferred maintenance estimates and solicit new and updated information from the Regions and Field Stations. This solicited information undergoes peer review by subject matter experts making up an interdisciplinary team from Washington and Regional Offices that reviews all project data in the MMS for accuracy, appropriateness, and credibility of the database. Facility condition assessments are ongoing and contribute to general and deferred maintenance decisions. Final estimates and accompanying text for FY 2002 deferred maintenance costs and facility condition are required by October 15, 2002.

<u>DATE</u>	<u>YEAR-END CLOSING EVENT</u>
10/15/02	Deferred maintenance estimates due to the Division of Financial Management from the National Wildlife Refuge, National Fish Hatchery, and Law Enforcement Programs.

**I. GPRA Performance Reports - Required Supplementary Information (RSI) and Other Accompanying Information (OAI)**

This year, OMB and the Department require the Service to report on general performance measures and a subset of GPRA program accomplishments achieved under each of the Service's mission and strategic goals identified in the Annual Performance Plan. The information provided in the Service's Annual Financial Report must be consistent with that provided in the Service's budget documents and Annual Performance Report, even though reporting cycles and due dates for the finance and budget cycles. Final text on GPRA performance, including a discussion of whether goals were met, and all other supporting GPRA and performance information must be provided to the Planning and Evaluation Staff in time for them to submit Servicewide text to the Division of Financial Management by October 15, 2002.

<u>DATE</u>	<u>YEAR-END CLOSING EVENT</u>
10/15/02	Final year-end GPRA performance data due to Division of Financial Management from the Planning and Evaluation Staff

**J. Complete Construction Work-in-Progress (CWIP) Reconciliations - Financial Statements**

The Work Group established to review and streamline reconciliation processes published its guidance in June 2001. This draft guidance serves as the basis by which the Service conducted an interim reconciliation in the Spring 2002 and will conduct year-end reconciliations with FFS. The reconciliation process is a multi-step, coordinated effort among field offices and Program staffs throughout the Service. The CWIP data file accumulates financial transactions relating to buildings and structures and that data must be reconciled with the data recorded in the FFS in order to prepare accurate financial statements for each fiscal year. Although the Service is looking at different methods by which to streamline and automate these reconciliations, the guidance of June 2001 still guides the manual process for this year. The RPI data must be updated for FY 2002 and made available to the Division of Financial Management by September 16, 2002, so that all reconciliations can be performed timely to meet Departmental reporting deadlines.

<u>DATE</u>	<u>YEAR-END CLOSING EVENT</u>
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9/16/02	Real Property Inventory due to Division of Financial Management from Chief, National Wildlife Refuges
9/27/02	Final year-end reconciliation with FFS completed

## K. Capitalized Real Property, Equipment and Software

The Service has a responsibility to accurately report the financial impact of transactions affecting its real property, equipment, software, and applicable leasehold improvements. Following is specific information on due dates and a general discussion of issues associated with capitalization considerations.

### Capitalized Real Property

The CWIP will follow the same procedures as in the past. Also, please refer to section above on CWIP reconciliations. Each Region will receive its April to July CWIP transactions from Engineering and Non-Engineering activities. The Regions will review each transaction and determine whether the cost should be capitalized, expensed, or remain in the Work-in-Progress account. It is essential for the Division of Financial Management to validate that appropriate financial information is properly recorded in the Real Property Inventory (RPI) database.

<u>DATE</u>	<u>YEAR-END CLOSING EVENT FOR CAPITALIZED REAL PROPERTY ASSETS</u>
08/08/02	Division of Financial Management e-mails CWIP files to Regions
08/23/02	Regional Review of CWIP due to Division of Financial Management
08/30/02	Division of Financial Management CWIP files due to Denver Office
09/16/02	RPI Download to Division of Financial Management - Denver Office

### Capitalized Equipment

<u>DATE</u>	<u>YEAR-END CLOSING EVENT FOR CAPITALIZED EQUIPMENT ASSETS</u>
9/13/02	Capitalized Equipment Reports/Files due to Division of Financial Management from the Division of Contracting and Facilities Management

### Capitalized Software

Service policy requires the Service to capitalize Software Development costs that are \$100,000 or greater. These costs need to be captured using a FFS project number. The Regions and the Programs are responsible for notifying the Division of Financial Management/Washington Office of the project

number for any software development projects. Similar to the Work-in-Progress account, the cost of ongoing software development is placed in an Internal Use Software-in-Development account. When work is completed and the software is in use, the cost is moved to the Internal Use Software account. If the project is abandoned and the software is considered useless, then the costs are expensed. Therefore, the Regions and Programs must also notify the Division of Financial Management when the project is completed to ensure the Service properly accounts for the costs.

DATE	YEAR-END CLOSING EVENT FOR CAPITALIZED SOFTWARE
08/30/2002	Programs and Regions must submit Capitalized Software project numbers to Division of Financial Management for year-end accounting treatment.

The information below is provided to assist in reviewing issues concerned with capitalizing property or equipment.

### **What is Capitalization?**

Capitalization is the identification of costs that will benefit future periods. These capitalized costs are captured and recognized as an asset. The thresholds to determine capitalization are \$25,000 for capital equipment and \$50,000 for real property.

### **What is an Expense?**

An expense is a cost of operations recognized during the current period. Total expenses reflect the amount of resources to perform the mission of the Service's operations. Expenses include depreciation expense, which allocates a portion of capitalized costs to the current period.

### **Why are Real Property Costs Capitalized?**

Real Property is considered an investment that provides future benefit to the Service. As a result, the Service captures the costs of its real property and can assign value to its real property. Real property is considered to have a limited useful life. Therefore, the Service depreciates the real property asset to recognize a decline in its future usefulness to the Service and to allocate its cost over the asset's useful life. Further, through depreciation of the real property asset, the Service can more accurately assess its cost of operations.

### **What is Construction Work-in-Progress (CWIP)?**

CWIP is an asset account that captures the costs associated with buildings and structures currently

under construction. Once the construction has been completed and the building and structure is usable, even if the construction contract remains open, the costs associated with the building or structure is moved out of CWIP into a real property asset account. If the cumulative costs of the building and structure is less than \$50,000 at completion, the costs are expensed during the current period.

### **What Costs should be capitalized and captured in CWIP or Real Property Asset Accounts?**

Service capitalizes real property with cumulative costs of \$50,000 or over. The Services also capitalizes any additions, improvements, or replacements to existing real property with cumulative costs of \$50,000 or over.

The following costs should be capitalized, in most cases, relating to specific new or improved property:

- Surveying
- Engineering Work
- Architectural and Design Work
- Acquisition Costs
- Payments to Contractors for work on new asset or addition/replacement to existing asset.
- Additions to Structures or Buildings
- Fixed Equipment and Installation Costs Attached to Structure or Building
- Direct Labor and Benefits Cost related to the construction, oversight of contractors, or getting the property item in use
- Direct Materials and Supplies Used
- Direct Travel
- Direct Equipment Rental Costs
- Fair Portion of Owned Equipment Used on Project (such as depreciation incurred during use)
- Any Legal and Recording Fees

The following should be expensed:

- Feasibility studies
- Alternative considerations
- Repairs and Maintenance
- Cleanup Costs
- Deferred Maintenance Costs that restores the asset to a operating condition as if it were regularly maintained.
- Demolition Costs, unless planned as part of the purchase of property. If planned, then capitalize.
- Indirect Costs of the Service.



## YA Accrual Sheet

## Exhibit 1

<b>Document Control Number: YA</b>  <b>Name of Organization:</b>	<b>Amount:</b>  <b>Original:</b>  <b>Page __ of __</b>  <b>Amendment:</b>
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Line Number	TT	BFY	ORGN	Subactivity/ Project	Obj. Class	Amount	ADJ	VEND CODE
001	01	2002						
002	01	2002						
003	01	2002						
004	01	2002						
005	01	2002						
006	01	2002						
007	01	2002						
008	01	2002						
009	01	2002						
010	01	2002						
011	01	2002						
012	01	2002						
013	01	2002						

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Phone Number \_\_\_\_\_

Date: \_\_\_\_\_

**\*\*YA DOCUMENT AND JUSTIFICATION MUST BE SENT INTO BUDGET & FINANCE FOR ARCHIVING AND STORAGE DURING THE FIRST WEEK OF OCTOBER.**

**Most Frequently Used Government Vendor Codes**

General Services Administration (GSA)	3047000017
Office of Aircraft Services (OAS)	3014040001
Unicor	3015080007
Office of the Secretary	3014010001

Office of Personnel Management (OPM)
Government Printing Office (GPO)
Bank of America

3024001201
3004000001
3001798094 E



**YA Accrual Sheet - Payroll  
Exhibit 1a**

<b>Document Control Number: YA</b>  <b>Name of Organization:</b>	<b>Amount:</b>  <b>Original:</b>  <b>Page __ of __</b>  <b>Amendment:</b>
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Line Number	TT	BFY	ORGN	Subactivity / Project	Obj. Class	% of Gross Pay	Amount	ADJ	VEND CODE
001	01	2002			(Gross Pay)	N/A			
002	01	2002			121A (Medicare)	CSRS 1.4% FERS 6.1%			PAYROLL G2 0
003	01	2002			121B (OASDI)	CSRS 0.0% FERS 0.8%			PAYROLL G2 0
004	01	2002			121E (TSP Basic)	1%			
005	01	2002			121F (TSP Match)	5%			
006	01	2002			121J (CSRS)	8.5%			PAYROLL G2 4
007	01	2002			121K (FERS)	10.7%			PAYROLL G2 4
008	01	2002			121N (COLA)				
009	01	2002			121T (LIFE INS)	Varies			PAYROLL G2 4
010	01	2002			121W (HEALTH INS)	Varies			PAYROLL G2 4

Signature: \_\_\_\_\_ Title: \_\_\_\_\_  
Phone Number \_\_\_\_\_ Date: \_\_\_\_\_

Note: were Vend Code is blank, use the employee's vendor code. Where % is left blank, refer to your latest FWS 10501 and calculate the % based on gross pay.

**\*\*YA DOCUMENT AND JUSTIFICATION MUST BE SENT INTO BUDGET & FINANCE FOR ARCHIVING AND STORAGE DURING THE FIRST WEEK OF OCTOBER.**

**YR Accrual Sheet  
Exhibit 2**

<b>Document Control Number: YR</b>  <b>Name of Organization:</b>	<b>Amount:</b>  <b>Original:</b>  <b>Page __ of __</b>  <b>Amendment:</b>
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Line Number	TT	BFY	ORGN	JOB	Obj. Class	Amount	I/D	Ref. Accounting Line Number
001	01							
002	01							
003	01							
004	01							
005	01							
006	01							
007	01							
008	01							
009	01							
010	01							
011	01							
012	01							
013	01							

Signature: \_\_\_\_\_  
Phone Number \_\_\_\_\_

Title: \_\_\_\_\_  
Date: \_\_\_\_\_

*EXHIBIT 3 FOR UNDELIVERED ORDER BALANCES CERTIFICATION*

Memorandum

To: Director

From: *Regional Director, Region \_\_\_\_\_ -or- Assistant Director - \_\_\_\_\_*

Subject: Certification of Undelivered Order Balances as of Year-end FY 2002

As directed by the Department of the Interior's Deputy Assistant Secretary - Policy Management and Budget, *Region \_\_\_\_ -or- program title* has thoroughly reviewed its undelivered orders as of the end of FY 2002. I certify to the best of my knowledge that the undelivered order balances for *Region - \_\_\_\_ -or- program title* are valid and appropriately stated for financial reporting purposes.

\_\_\_\_\_  
Regional Director -or- Assistant Director

\_\_\_\_\_  
Date

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
August 2002						
			1	2	3	
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26 BAS file to DO	27 Non-reimbursable project code rollover list to DO (including fire project codes)	28 BAS file rejects are fixed by DB staff.	29	30 Carryover reimbursable projects and project code rollover due to DO/Cost Accounting	31

Sunday

Monday

Tuesday

Wednesday

Thursday

Friday

Saturday

# September 2002

1	2	3 Proceeds from Motor Vehicle Sales due to DO.  Awards entered in FPPS after this day will need to be accrued.	4 Rev 2002-17 accrual; Post 2002-18; Accrue 260% of 2002-18; Payroll RDS process; credit card adjustments; 1st interims run	5 Interim reports available on FC website by 1 PM MDT	6 Final Imprest vouchers submitted to NBC.	7
8	9	10	11 Payroll RDS process; credit card adjustments; 2nd interims run	12 Interim reports available on FC website by 1 PM MDT	13	14
15	16 Rev 2002-18 accrual; Post 2002-19; Accrue 160% of 2002-19	17	18 Payroll RDS process; credit card adjustments; 3rd interims run; collection transmittals now faxed to DO/Cost Accounting.	19 Interim reports available on FC website by 1 PM MDT.	20 BAS file to DO; UDO report due to BF; travel vouchers must be at NBC; final imprest replenishments must be at NBC.	21
22	23 Collections at the lockbox by this day will be posted as FY 2002 activity.	24 Last file imported into the CARD table; last tape to Treasury for payment; last day for NBC to process non-referencing IPAC charges; last day to make EAGLS	25 BAS file rejects fixed by DO staff; payroll RDS process; credit card adjustments; 4th interims run; credit card accruals must be entered; last day TVs will be processed by	26 Interim reports available on FC website by 1 PM MDT; vehicles received but not invoiced must be accrued.	27 Final interim reports run; last day to use purchase card; Exhibit 3 (Regional UDO Validation) due	28 Interim reports available on FC website by 1 PM MDT
29	30 Last day for RDE, payroll and credit card adjustments and accruals to be processed; clear SUSF table.					